

To the Members of the California State Senate:

I am signing Senate Bill No. 1041. This urgency measure amends Section 2.00 of the Budget Act of 2003 (Chapter 157, Statutes of 2003) by revising various items of appropriations, as specified, and authorizing the Director of Finance to revert additional amounts from specified funds to the General Fund.

The reductions made by this bill are a good beginning towards solving the budget problems. However, these reductions are significantly lower than the total amount I proposed in my 2003-04 Mid-Year Reduction Proposals plan and falls short of what is necessary to address the budget gap. Due to the magnitude of the fiscal deficit facing the State of California, further cuts will be needed for the 2003-04 fiscal year. I am hopeful that the Legislature will act quickly to approve the balance of the mid-year reduction proposals.

Sincerely,

Arnold Schwarzenegger